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JOHN D. HEFFNER, PLLC
1920 N ST., N.W.
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WASHINGTON, D.C. 20036
(202) 263-4180
FAX (202) 296-3939
j.heffner@verizon.net



BY HAND

July 21, 2004

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street
Washington, D.C. 20423-0001

RE: FD No.34528, Indiana Boxcar Corporation - Continuance
in Control Exemption - Chesapeake & Indiana
Railroad Company, Inc.

FD No. 34529, Chesapeake & Indiana Railroad, Inc.
- Operation Exemption - The Town of North Judson, IN

Dear Mr. Williams:

On behalf of Petitioners Indiana Boxcar Corporation and the
Chesapeake & Indiana Railroad Company, Inc., I am filing an
original and ten copies of:

(1) a verified notice of exemption under 49 CFR 1180.2(d) (2)
for the continuance in control by Indiana Boxcar Corporation of
Chesapeake & Indiana Railroad Company, Inc., and

(2) a verified notice of exemption under 49 CFR 1150.31 for
the operation by Chesapeake & Indiana Railroad Company, Inc., of
a line of railroad owned by the Town of North Judson, IN.

I am also enclosing one check payable to the Board for
\$2,700 to cover the applicable filing fees and a computer disk
formatted in WordPerfect 8.0 containing these filings.

FILED

JUL 21 2004

SURFACE
TRANSPORTATION BOARD

FEE RECEIVED

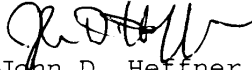
JUL 21 2004

SURFACE
TRANSPORTATION BOARD

Hon. Vernon A. Williams
July 21, 2004
Page Two

Please date stamp and return one copy of this filing for our records.

Sincerely yours,



John D. Heffner

Enclosures

cc: Mr. Powell Felix

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34529

CHESAPEAKE & INDIANA RAILROAD COMPANY, INC.
-- OPERATION EXEMPTION --
THE TOWN OF NORTH JUDSON, IN



VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF OPERATION OF RAIL LINE

FEE RECEIVED

Submitted By: JUL 21 2004

FILED
JUL 21 2004
SURFACE
TRANSPORTATION BOARD

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180
Counsel for Petitioner

**SURFACE
TRANSPORTATION BOARD**

Dated: July 21, 2004

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 34529

CHESAPEAKE & INDIANA RAILROAD COMPANY, INC.
-- OPERATION EXEMPTION --
THE TOWN OF NORTH JUDSON, IN

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10901 and 49 CFR 1150.31

NOTICE OF OPERATION OF RAIL LINE

INFORMATION REQUIRED BY 49 CFR 1150.33

Name and Address of Applicant **49 CFR 1150.33(a)**

Chesapeake & Indiana Railroad Company, Inc.
916 Vine Street
Connersville, IN 47331

Applicant's Representative **49 CFR 1150.33(b)**

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Statement of Agreement(s) **49 CFR 1150.33(c)**

Chesapeake & Indiana Railroad Company, Inc.

("Chesapeake") is negotiating and expects shortly to execute an agreement with the town of North Judson, IN,¹ for Chesapeake to operate a line of railroad formerly known as the Wabash Subdivision of the Chicago Division of CSX Transportation, Inc. The subject rail line is 32.97 miles in length and extends from Wellsboro (MP 15.2) to LaCrosse, IN (MP 0.6) in LaPorte County, IN, and from Malden (MP 230.9) through LaCrosse, to North Judson (MP 212.5) in Porter and Starke County, IN.

Chesapeake plans to commence operations on or after July 29, 2004.

Operator of the Property

49 CFR 1150.33(d)

In all cases anticipated by this Notice, and as described in the transaction summary provided below, Chesapeake will hold itself out to provide common carrier rail freight service over the subject rail facilities.

Brief Summary of Transaction

49 CFR 1150.33(e)

On May 14, 2004, the Board served a decision in STB Docket No. AB-55 (Sub-No. 643X), CSX Transportation, Inc.- Abandonment Exemption-In La Porte, Porter, and Starke Counties, IN, authorizing the Town of North Judson to acquire 32.97 miles of railroad whose abandonment had previously been exempted from

¹ The address for the Town of North Judson is the Incorporated town of North Judson, P.O. Box 56, North Judson, IN 46366.

regulation. Chesapeake is a newly established noncarrier selected by the Town to operate the subject rail line as a class III short line railroad.

This transaction qualifies for a class exemption under 49 CFR 1150.31 et seq., because it involves the lease and operation by a newly established class III short line rail carrier of a rail line authorized for abandonment and subsequently acquired by a public agency through the financial assistance provisions of 49 U.S.C. 10904(d)-(f).

Concurrently with this notice, Chesapeake's corporate parent [Indiana Boxcar Corporation] is submitting a verified notice of exemption in STB Finance Docket No. 34528,² for it to continue in control of both Chesapeake and Vermilion Valley Railroad Company, Inc., an existing class III short line railroad.

Map

49 CFR 1150.33(f)

A Map depicting the line to be leased and operated are attached as Exhibit A.

Certificate of Carrier Classification **49 CFR 1150.33(g)**

Chesapeake hereby certifies that, with this acquisition, its projected annual revenues will still be less

² Captioned Indiana Boxcar Corporation-Continuance in Control Exemption-Chesapeake & Indiana Railroad Company, Inc.

than \$5,000,000 annually. A certificate complying with the provisions of 49 CFR 1150.33(g) is attached as Exhibit B to this notice.

Labor Protection

Under 49 U.S.C. 10901 the imposition of labor protective conditions is discretionary. Chesapeake requests that no conditions be imposed as there are no employees who will be adversely affected.

Caption Summary

49 CFR 1150.34

A caption summary in the prescribed form is attached as Exhibit C to this Notice.

Environmental and Historic Preservation Data **49 CFR 1105**

Pursuant to 49 CFR 1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105(c)(2)(i), because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale, lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter

the properties subject to Board jurisdiction.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "JD Heffner", with a long horizontal stroke extending to the right.

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for Petitioner

Dated: July 21, 2004

EXHIBIT A

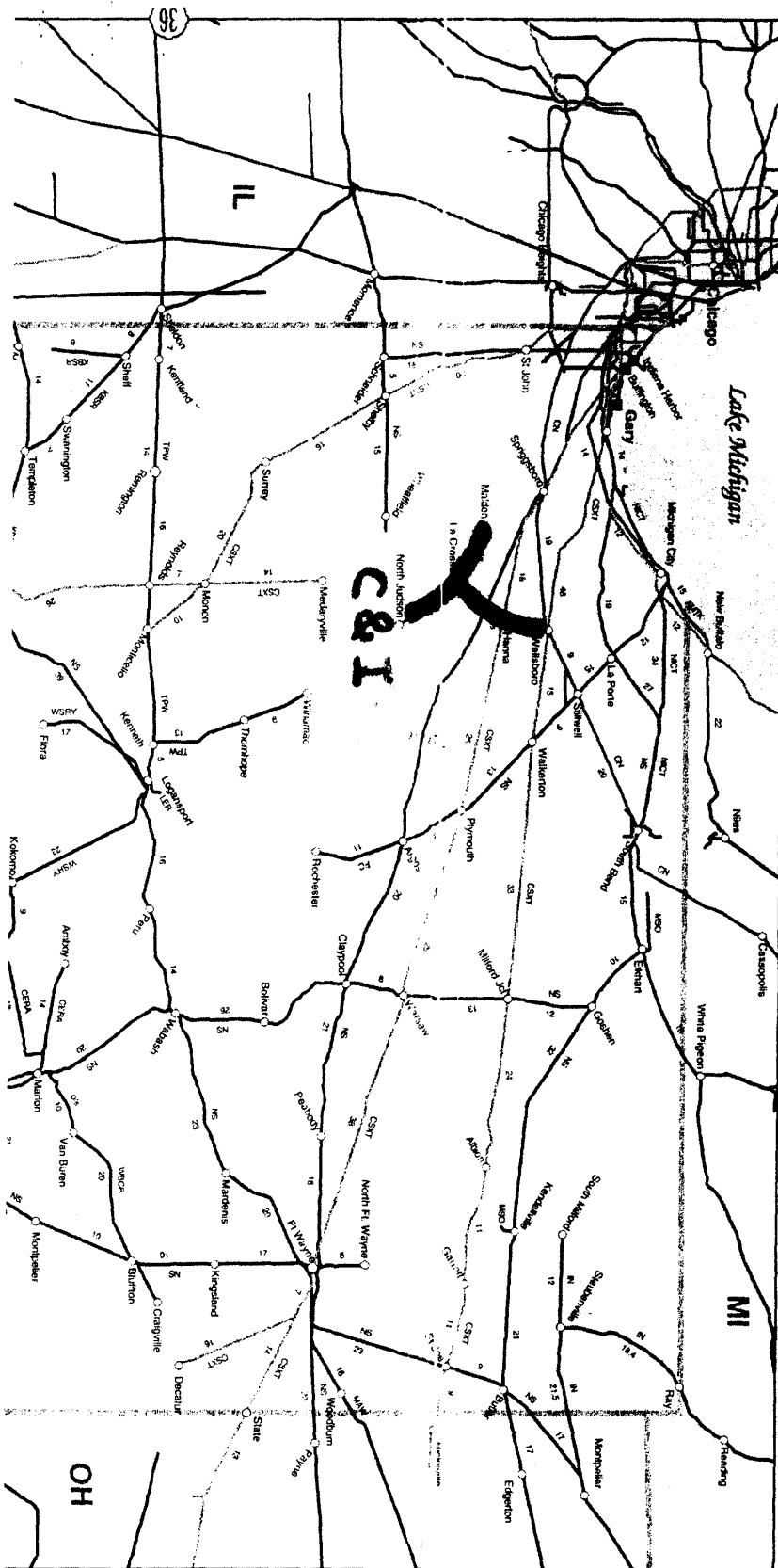


EXHIBIT B

CERTIFICATION

I, R. Powell Felix, an officer of the Chesapeake and
Indiana RR Co. ("CKIN") hereby certify under
penalty of perjury that the projected annual revenues of
CKIN, in the aggregate, will not exceed \$5,000,000, and
that CKIN will be a Class III rail carrier as set
forth at 49 CFR 1201 (1-1) (a). Further, I certify that I am
qualified and authorized to make this certification on behalf of
CKIN.

R. Powell Felix
Signature

EXHIBIT C

STB FINANCE DOCKET NO. 34529

CHESAPEAKE & INDIANA RAILROAD COMPANY, INC.
- OPERATION EXEMPTION -
THE TOWN OF NORTH JUDSON, IN

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10901 AND 49 CFR 1150.31

NOTICE OF OPERATION OF RAIL LINE
INFORMATION REQUIRED BY 49 CFR 1150.31

Chesapeake & Indiana Railroad Company, Inc., a newly established noncarrier and class III short line railroad, has filed a Verified Notice under 49 CFR 1150.31 to operate the following rail line to be acquired by the Town of North Judson, IN, under the financial assistance provisions of 49 U.S.C. 10904(d) - (f):

From Wellsboro (MP 15.2) to LaCrosse, IN (MP 0.6) in LaPorte County, IN, and from Malden (MP 230.9) through LaCrosse, to North Judson (MP 212.5) in Porter and Starke County, IN.

These lines total approximately 32.97 miles of track. The parties propose to consummate this transaction on or about July 29, 2004.

This notice is related to another notice filed simultaneously herewith and docketed as STB FD No. 34528, Indiana Boxcar Corporation-Continuance in Control-Chesapeake & Indiana Railroad Company, Inc.

This notice is filed under 49 CFR 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction. An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34529, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1925 K Street, N.W., Washington, D.C. 20423-0001. In addition, a copy of each pleading must be served on:

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

(SEAL)

VERIFICATION

STATE OF Indiana)
)
CITY OF Fayette) SS

R. Powell Felix, being duly sworn according to law, hereby
deposes and states that (s)he is authorized to make the Verification, has
read the foregoing document, and knows the facts asserted therein are true
and accurate as stated, to the best of (her)his knowledge, information and
belief.

R Powell Felix

Subscribed and sworn to before me, a Notary Public, in and for the City of
FAYETTE in the State of Indiana, this 16th day of July, 2004.

Loretta J. Hughes

Notary Public

My Commission expires:

LORETTA J. HUGHES
Notary Public, Fayette Co., IN
My Comm. Expires July 30, 2010